

U.S. General Services Administration (GSA)

PRESIDENTIAL TRANSITION “HOT ISSUES” INFORMATION PAPER

SUBJECT: *Financial Management Line of Business (FMLoB)*

1. BACKGROUND:

GSA transferred Momentum IT (the GSA financial system of record known as Pegasys) and Financial Operations to USDA, consistent with OMB and Treasury goals to establish federal shared services providers (FSSP) for the US government. GSA's objectives were to focus on mission activities and allow USDA to become a FSSP of Momentum Financial Services and drive cost savings for GSA and other federal agencies. Overall GSA will pay USDA approximately \$65M for the service.

2.

- General Background:
 - Phase 1 - Complete
 - Lifted and shifted 250 financial management FTEs and Pegasys Staff - March 22, 2015. Financial management services transferred included accounts receivable, accounts payable, general accounting and asset management.
 - Transferred Pegasys financial system and contract ownership on September 30, 2015
 - Established FMLoB Memorandum of Understanding, Service Level Agreements, and governance structure
 - Seamlessly transferred GSA operations and the 42 external customers GSA was serving, including the seven agencies GSA has a statutory obligation to service.
 - Phase 2 - In Process
 - Developed budget and project plan to integrate or eliminate remaining GSA Financial Applications
 - Evaluating strategy considering broader Unified Shared Services Management (USSM) role and government-wide direction
- Lessons Learned
 - Adopt a federal government-wide perspective rather than an agency-specific perspective.
 - FSSP requires dedicated resources for IT modernization, operations improvement, and strategic planning to drive overall shared services benefits.
 - Additional resources needed to support agency's financial controls and audit.
 - Initially, executive oversight is greater than anticipated.

3. SCOPE AND EFFECT:

a. Impact on GSA's Customers:

- No significant impact to GSA internal customers during the migration to an FSSP - significant focus on diligence in resolving issues and requests.

b. Impact on the Private Sector and State & Local Governments:

- Costs increased with transition, but savings are being realized in advance of full shared services benefits. Significant savings will be realized when other federal agencies use USDA's Momentum solution.
- For private sector, State and local governments, ease of use will be facilitated by consistent platforms across the federal landscape, which are deployed via the FSSP.

4. ACTION(S) PLANNED OR REQUIRED:

GSA and USDA will continue to partner on making system functionality improvements while upgrading to Momentum 7.5:

- Re-platform GSA ancillary financial IT applications and focus efforts on moving functionality to Pegasys Core Financial System

5. KEY STAKEHOLDER INTEREST:

Office of Unified Shared Services Management is developing a long term strategy for the convergence of Momentum software across Government.

6. FISCAL YEAR 2017/2018 BUDGET IMPACT:

For subsequent fiscal years (FY 2016 and FY 2017), USDA will undertake best efforts to achieve savings of at least 20 percent in the FY 2018 operating budget, when compared to the full year FY2015 operating budget.